THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) At present, there are no plans to produce Bofors guns indigenously.

(b) Does not arise.

(c) Does not arise.

Production of lethal munitions by private sector

777. SHRI RAMACHANDRA KHUNTIA: Will the Minister of DEFENCE be pleased to state:

(a) whether Government have approved production of certain lethal munitions in private sector;

(b) if so, details of the munitions in which private production has been allowed; and

(c) fresh steps taken to frame safeguards to prevent their falling in wrong hands keeping in view deteriorating security situation in the country?

THE MINISTER OF DEFENCE (SHRI GEORGE FERNANDES): (a) and (b) In May, 2001 Defence industry, which was hitherto reserved for public sector has been opened for Indian Private Sector participation upto 100% with Foreign Direct Investment (FDI), permissible up to 26%, both subject to licensing. The Indian Private Sector can now manufacture all types of defence equipment under license. Till date 6 letters of intent have been issued to entrepreneurs in private sector to manufacture various types of defence equipment.

(c) Guidelines have been issued by the Department of Industrial Policy and Promotion in January, 2002 in consultation with the Ministry of Defence regarding the modalities for consideration of applications of Private entrepreneurs for grant of license. To prevent misuse by rogue elements, the Government have incorporated appropriate safeguards in the guidelines for issue of license.

Shrinking size of IAF

778. SHRI RAMACHANDRA KHUNTIA: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that our Air Force has lost 110 MIG-21s during